

EXHIBIT 146

(Part 2)

the range was quite broad, with a minimum of less than 3,000 to over 220,000. Medicaid comprises a small proportion of prescriptions for the average pharmacy (6.8%), with other third party payers covering a much larger proportion on average (83.8%). Pharmacies reported that a relatively small proportion of prescriptions required prior authorization or some other contact with the Medicaid program (1%) or other third party payers (1.5%). Discussions with respondents suggest that many reported only the percent of filled prescriptions that required and received prior authorization; whereas other pharmacies estimated the proportion of prescriptions submitted that would be subject to prior authorization. Because of differences in reporting, we did not use this characteristic in the analysis. Additional characteristics for reporting pharmacies are provided in Appendix A. Tables 2-8.

Table 3 Number and Characteristics of Prescriptions Filled

Variables	Number of Pharmacies	Median	Mean
Total prescriptions	387	41,545	45,662
New prescriptions	386	23,628	26,198
Refills	386	17,666	19,268
Percent new prescriptions	387	58%	58%
Percent Medicaid prescriptions	385	3.8%	6.8%
Percent other third-party prescriptions	386	88.0%	83.8%
Percent of Medicaid Prescriptions requiring prior authorization	360	0.0%	1.0%
Percent of other third-party Prescriptions requiring prior authorization	360	0.4%	1.5%

Estimates of Cost of Dispensing

Table 4 provides estimates of the mean and median COD, overall and by pharmacy characteristic. The overall mean pharmacy COD is \$11.71 with a range of \$4 to \$39 (data not shown). As expected, the median value is less (\$10.67). We focus on median values because they are less affected by skewed distributions. The COD varies by pharmacy characteristics. The median COD for corporations (\$10.74) is larger than for non-corporations (\$7.54). Consistent with that trend is the finding that the median COD for chain stores (\$11.01) is higher than for independents (\$8.66). There were no clear patterns for physical setting or geographic location. Pharmacy size is associated with increases in the median COD. The COD for the lowest quartile in terms of pharmacy size was \$12.30, compared to \$9.69 for the highest quartile. The percent of prescriptions paid for by Medicaid was also associated with a trend towards increasing COD. The median cost for the lowest quartile is \$9.05, and for the highest it is \$12.26. It should be noted that the large number of missing values for some categories, and the small number of pharmacies in many categories precluded statistical

comparison of the means for each category. The differences across groups should be interpreted as suggestive trends.

Table 4 Cost of Dispensing and Prescription, Overall and by Pharmacy Characteristic

	Number of Pharmacies	Median COD (\$)	Mean COD (\$)
All Pharmacies	387	\$10.67	\$11.71
Type of Ownership			
Corporation	379	\$10.74	\$11.80
Non-Corporation	8	\$ 7.54	\$ 7.34
Affiliation			
Chain	349	\$11.01	\$11.99
Independent	35	\$ 8.66	\$ 9.02
Institutional	3	\$10.40	\$ 9.83
Geographic Location			
Inner City	11	\$ 8.43	\$11.10
Inner Ring Suburbs	11	\$13.45	\$16.44
Outer Suburbs	49	\$10.25	\$12.64
Rural	21	\$ 8.81	\$10.11
Missing	295	\$10.87	\$11.51
Physical Setting			
Medical Office Building	8	\$10.51	\$12.25
Shopping Center	164	\$10.93	\$11.46
Separate Free Standing	149	\$10.81	\$11.89
Mass Merchant	30	\$ 9.77	\$12.34
Downtown	17	\$11.30	\$12.75
Other	19	\$ 9.56	\$10.21
Number of Prescriptions			
Quartile 1 (<30,000)	96	\$12.30	\$14.71
Quartile 2 (=> 41,545)	97	\$10.00	\$11.19
Quartile 3 (=> 56,619)	97	\$11.09	\$10.70
Quartile 4 (>56,619)	97	\$ 9.69	\$10.26
% Rx Covered by Medicaid			
Less than 2%	98	\$ 9.05	\$10.63
2-4%	105	\$10.25	\$11.54
4-9%	93	\$12.48	\$12.75
More than 9%	91	\$12.26	\$12.00

* Note that categories for Total and Medicaid prescriptions were based on quartiles of the distributions

Pharmacy Characteristics Associated with COD Variations

Table 5 reports the results when multivariate linear regression is used to identify the association between each pharmacy characteristic and COD, while controlling for other characteristics. The first column in the table identifies the characteristic of the pharmacy being examined. For continuous variables the second column identifies the unit of measurement and the magnitude of the change that is being examined. For categorical variables, such as the size group, the second column indicates what comparison is being made in the analysis. The third column indicates the dollar impact on COD associated with the change in the characteristic. The symbols adjacent to the numbers in the third column indicate whether this result is deemed to be statistically significant, or if it is more likely just a chance finding.

The results of the regression indicate that as the size of the pharmacy increases, the COD decreases. Relative to pharmacies in the lowest quartile of prescription volume, the COD for pharmacies in the second quartile are \$3.12 less. The pharmacies with the highest prescription volume have even lower COD. Relative to pharmacies in the lowest quartile ranked by prescription volume, the COD for the highest quartile is \$4.56 lower. The percent of prescriptions that are covered by Medicaid is associated with a higher COD. A 1 percentage point increase in the percent covered by Medicaid is associated with a \$0.16 increase in the COD. There is not a significant effect associated with the percentage of prescriptions covered by other third party payers. New prescriptions are associated with a small increase in COD. For every 1 percentage point increase in the percent of prescriptions that are new, the COD increases by \$.20.

Table 5 Estimated Associations Between Pharmacy Characteristics and Cost of Dispensing

Independent Variables	Unit of Measurement Unit of Change	Estimated effect on average COD in \$, associated with 1 unit change in characteristic
Size of pharmacy <i>Ref group: 1st quartile Rx volume</i>		
2 nd quartile Rx volume	In 2 nd quartile compared to 1st	-3.12*
3 rd quartile Rx volume	3 rd quartile compared to 1st	-4.19*
4 th quartile Rx volume	4 th quartile compared to 1st	-4.56*
Percent Medicaid prescriptions	1 percentage point	0.16*
Percent other third party prescriptions	1 percentage point	0.02
Percent new prescriptions	1 percentage point	0.20*
Pharmacy affiliation, & emergency service provision <i>Reference group: Chain pharmacy</i>		
Independent pharmacy without emergency services	Independent without emergency services, compared to chain	-5.42*
Independent pharmacy with emergency services	Independent with emergency services, compared to chain	-5.74*
In-house charge system for prescription sales	Has in-house store charge compared to not having	4.30*
Pharmacy hours open per week	1 hour	0.01
Physical Setting <i>Reference group: shopping center</i>		
Free standing physical setting	Free standing compared to shopping center	-0.39
Mass Merchant physical setting	Mass merchant compared to shopping center	-0.08
Other physical setting	Other setting compared to shopping center	-0.39

R-Square 0.38

* Significant at p<0.05

The combination of pharmacy affiliation and offering emergency services has a significant effect on COD. Recall that no chain pharmacies reported emergency services. Relative to chain stores, the COD for independent pharmacies without emergency services was \$5.42 less. The COD of independent pharmacies with emergency services was \$5.74 less than for chain pharmacies. Relative to pharmacies without in-house store charge systems, pharmacies with in-house store charge systems had CODs that were \$4.30 more. Neither the number of hours the pharmacy was opened, nor the physical setting was associated with variations in COD.

The multivariate regression designed to explain variation in total pharmacy COD indicates that, given the current volume of prescriptions, an increase of one prescription increases the total COD by \$8.70. This estimate is known as the marginal COD. The full set of estimates from the two regressions is provided on Appendix A. Tables 9 and 10.

Chapter 4

Summary and Discussion

- A total of 390 pharmacies responded to the survey. Of the 387 valid responses, 90% came from Chain drug stores, 9% from Independent pharmacies, and 1% from Institutional pharmacies.
- On average, pharmacies dispensed 45,662 prescriptions per year (median: 41,545). The average percentage of total prescriptions covered by Medicaid was 3.8%, with a median percentage of 6.8%.
- The average cost of dispensing per prescription was \$11.71, the median cost of dispensing per prescription was \$10.67, and the marginal cost of dispensing per prescription was \$ 8.70. The average cost of dispensing per prescription was higher for Chain drugstores (\$12.00) than for Independent pharmacies (\$9.02).
- The average cost of dispensing per prescription was lower for pharmacies reporting a low Medicaid prescription volume (\$10.63 for a Medicaid volume less than 2% of total prescriptions filled) compared to those reporting a high Medicaid prescription volume (\$12.00 for a Medicaid volume above 9%).
- Recent changes in prescription benefits for dual Medicare-Medicaid eligibles are likely to affect the volume of prescriptions paid for by Medicaid, and may affect the average complexity and cost. These patients are likely to use a complex array of prescription drugs, and pharmacists are likely to spend more time filling prescriptions and counseling patients than they would for less complicated Medicaid patients. Beginning in 2006, prescription drug coverage for dual eligibles shifted from Medicaid to other third party coverage. With this change, the association between Medicaid volume and cost of dispensing might be reduced.

Limitations

- The findings in this report are based on an analysis of self-reported data.
- According to 2005 statistics from the National Pharmaceutical Council, 67% of pharmacies in Maryland were Chain pharmacies, 27% Independent pharmacies, and 6% Hospital/Institutional pharmacies. Compared to this distribution, Chain pharmacies were overrepresented in the DHMH study, while Institutional and Independent pharmacies were underrepresented. Therefore, the study sample may not be representative and findings should be interpreted with caution.

Appendix A. Supplemental Tables

Appendix Table 1. – Additional Characteristics of Responding Pharmacies Relevant to Cost Computations

Characteristic	Number of Pharmacies	Percent of Non-Missing Responses
Facility Ownership		
Pharmacy Owns	5	1%
Rents from Related Party	39	10%
Rents from Unrelated Party	343	87%
Basis of Rent Payments		
Square Foot	15	8%
% of Sales	25	14%
Combination of Above Two	127	70%
Fixed Amount	13	7%
Dispenses to Nursing Home Residents		
Yes	4	1%
No	383	99%
Dispenses Unit Dose to Nursing Home		
Yes	2	1%
No	176	99%
Missing	209	
Type of Unit Dosing		
Modified Unit Dose (bingo cards/blister packs)	1	50%
Unit Dose	1	50%

Appendix Table 2. – Selected Statistics for Responding Pharmacies

Variables	Number of Pharmacies	Median	Mean
New prescriptions	386	23,628	26,198
Refills	386	17,666	19,268
Total prescriptions	387	41,545	45,662
Annual total store revenues	356	\$3,866,155	\$4,353,672
Annual prescription department revenues	387	\$2,687,699	\$3,020,882
Percent Medicaid prescriptions	385	3.83%	7%
Percent other third-party prescriptions	386	88%	84%
Percent of Medicaid prescriptions requiring a prior authorization	360	0.005%	1.02%
Percent of other third-party prescriptions requiring a prior authorization	360	0.44%	1.50%
Percent of Medicaid prescriptions home delivered	30	25%	32%
Pharmacy hours open per week	387	80	90
Square feet of total sales area	355	8,356	7,778
Square feet of prescription department	385	496	571
Square feet of prescription register and patient waiting area	193	80	100
Square feet of stock room for entire store	193	660	975
Square feet of stock room for prescription drugs and containers	62	31	83
Area ratio *	355	0.06	0.19
Sales ratio **	356	0.69	0.70

Appendix Table 3. – Reported Median and Mean Salaries for Pharmacists-in-Charge and Staff Pharmacists

	Number of Pharmacies	Median Salary (\$)	Mean Salary (\$)
Pharmacist-in-charge	61	\$100,000	\$115,434
Pharmacist A	382	\$189,332	\$184,395
Pharmacist B	46	\$35,787	\$47,067
Pharmacist C	28	\$11,664	\$38,070
Pharmacist D	21	\$11,022	\$33,828
Pharmacist E	18	\$15,469	\$37,978
Pharmacist F	13	\$11,000	\$23,186
Pharmacist G	11	\$9,578	\$19,180
Pharmacist H	8	\$4,923	\$18,195
Pharmacist I	7	\$20,288	\$17,712
Pharmacist J	6	\$9,032	\$17,248
Pharmacist K	5	\$8,514	\$11,747
Pharmacist L	2	\$41,237	\$41,237
Pharmacist M	2	\$50,958	\$50,958
Pharmacist N	2	\$5,081	\$5,081
Pharmacist O	1	\$6,160	\$6,160

Appendix Table 4. – Reported Median and Mean Percent of Time Spent in Prescription Department for Pharmacists-in-Charge and Staff Pharmacists

	Number of Pharmacies	Median Time %	Mean Time %
Pharmacist-in-charge	386	100%	95%
Pharmacist A	381	100%	98%
Pharmacist B	48	80%	88%
Pharmacist C	39	80%	85%
Pharmacist D	34	80%	85%
Pharmacist E	32	80%	84%
Pharmacist F	29	80%	83%
Pharmacist G	28	80%	82%
Pharmacist H	26	80%	81%
Pharmacist I	26	80%	81%
Pharmacist J	26	80%	80%
Pharmacist K	25	80%	80%
Pharmacist L	25	80%	80%
Pharmacist M	25	80%	80%
Pharmacist N	25	80%	80%
Pharmacist O	25	80%	80%

Appendix Table 5. – Reported Median and Mean Salaries for Pharmacy Intern, Pharmacy Clerk/Technician, Delivery and Janitorial Personnel

	Number of Pharmacies	Median Salary (\$)	Mean Salary (\$)
Intern	98	\$832	\$5,741
Clerk A	224	\$36,257	\$40,434
Clerk B	52	\$11,423	\$16,024
Clerk C	48	\$11,453	\$14,654
Clerk D	38	\$11,729	\$18,744
Clerk E	32	\$9,903	\$14,152
Clerk F	27	\$7,491	\$11,863
Clerk G	23	\$10,580	\$16,554
Clerk H	17	\$5,900	\$13,637
Clerk I	14	\$24,970	\$22,872
Clerk J	15	\$15,555	\$14,691
Clerk K	13	\$12,000	\$14,066
Clerk L	11	\$14,488	\$14,746
Clerk M	9	\$7,539	\$12,609
Clerk N	8	\$3,949	\$9,203
Clerk O	7	\$22,000	\$20,262
Clerk P	6	\$11,600	\$12,046
Clerk Q	2	\$13,160	\$13,160
Clerk R	2	\$16,836	\$16,836
Delivery personnel	169	0	\$3,432
Janitorial personnel	166	0	\$645

Appendix Table 6. – Reported Median and Mean Percent of Time Spent in Prescription Department by Pharmacy Clerk/Technician, Delivery and Janitorial Personnel

	Number of Pharmacies	Median Time	Mean Time
Clerk A	223	100%	97%
Clerk B	59	100%	89%
Clerk C	68	100%	88%
Clerk D	51	100%	91%
Clerk E	46	100%	90%
Clerk F	44	100%	94%
Clerk G	41	100%	89%
Clerk H	40	100%	95%
Clerk I	38	100%	92%
Clerk J	39	100%	92%
Clerk K	37	100%	91%
Clerk L	36	100%	90%
Clerk M	34	100%	92%
Clerk N	33	100%	93%
Clerk O	32	100%	95%
Clerk P	31	100%	99%
Clerk Q	27	100%	100%
Clerk R	27	100%	100%
Delivery personnel	36	50%	53%
Janitorial personnel	31	0	17%

Appendix Table 7. – Reported Cost of Prescription Department Expenses

	Number of Pharmacies	Median (\$)	Mean (\$)
Prescription Computer Expenses	384	\$561	\$2,524
Prescription claim transmission charges and switching fees	219	\$3,458	\$4,314
Prescription supplies	384	\$5,196	\$6,968
Delivery expenses	30	\$2,714	\$11,819
Dues and publications	57	\$445	\$1,128
Pharmacist continuing education costs	48	\$505	\$690
Shrinkage	205	\$5,758	\$10,570
TP adjustments	366	\$3,458	\$6,821
Benefits	373	\$45,000	\$50,905
Bonuses	21	\$2,679	\$23,728
Liability insurance	53	\$4,167	\$5,467
Inventory service	210	\$2,524	\$2,015
Warehouse expense	37	\$45,030	\$39,831
Other prescription department expenses	168	\$350	\$1,449
Total prescription department expenses	387	\$70,979	\$81,860

Appendix Table 8. – Reported Total Store Expenses

	Number of Pharmacies	Median (\$)	Mean (\$)
Electricity	185	\$25,185	\$24,731
Natural gas	136	\$1,512	\$1,894
Water	140	\$505	\$914
Telephone	381	\$4,161	\$4,381
Other utilities	208	\$14,859	\$14,242
Trash collection	199	\$1,808	\$2,134
Sewer	12	0.0000	\$161
Depreciation	372	\$30,651	\$42,028
Taxes	189	\$3,488	\$9,041
Property taxes	190	\$3,048	\$4,236
Real estate taxes	137	\$11,858	\$12,614
Other taxes	143	\$81	\$1,732
Rent	355	\$120,698	\$135,771
Building rent	183	\$128,257	\$141,480
Equipment and other rent	171	\$224	\$1,922
Repairs	350	\$6,914	\$13,057
Insurance	200	\$1,162	\$4,831
Workers comp and employee	186	\$6,302	\$7,373
Medical insurance	179	\$22,405	\$26,187
Any other insurance	387	0.000	\$3,438
Interest expense	19	\$13,940	\$12,764
Legal, accounting and other professional fees	189	\$223	\$1,800
Bad debts	200	\$571	\$2,154
Credit card fees	378	\$14,515	\$18,019
Operating and office supplies	378	\$5,199	\$5,832
Advertising	381	\$45,016	\$49,208
Central administration expenses	361	\$31,631	\$123,550
Travel expenses	129	\$571	\$1,778
Security	201	\$25	\$3,148
Monitoring system	154	\$739	\$1,141
Security personnel	51	\$15,340	\$19,296
Other pharmacy expenses not included elsewhere	150	\$26,266	\$26,907
Total other pharmacy related expenses	81	\$128,497	\$199,080

Appendix Table 9. -- Regression Estimates of Association Between Average Cost of Dispensing and Pharmacy Characteristics

Independent Variables	β Coefficient	Standard Error	P value
Size of pharmacy <i>Ref group: 1st quartile Rx volume</i>			
2 nd quartile Rx volume	-3.12	0.57	<0.0001
3 rd quartile Rx volume	-4.19	0.57	<0.0001
4 th quartile Rx volume	-4.56	0.62	<0.0001
Percent Medicaid prescriptions	0.16	0.03	<0.0001
Percent other third party prescriptions	0.02	0.01	0.159
Percent new prescriptions	0.20	0.04	<0.0001
Pharmacy affiliation, & emergency service provision <i>Reference group: Chain pharmacy</i>			
Independent pharmacy without emergency services	-5.42	1.04	<0.0001
Independent pharmacy with emergency services	-5.74	1.26	<0.0001
In-house charge system for prescription sales	4.30	0.71	<0.0001
Pharmacy open hour per week	0.01	0.01	0.381
Physical Setting <i>Reference group: shopping center</i>			
Free standing physical setting	-0.39	0.45	0.390
Mass Merchant physical setting	0.08	0.79	0.915
Other physical setting	-0.39	0.69	0.570

R-Square = 0.35

Dependent variable = average cost of dispensing per prescription

Appendix Table 10. – Regression Estimates of Association Between Total Cost of Dispensing and Pharmacy Characteristics

Independent Variables	β Coefficient	Standard Error	P value
Total prescriptions	8.70	0.33	<0.0001
Percent Medicaid prescriptions	6929.88	1203.05	<0.0001
Percent other third party prescriptions	1130.53	527.88	0.033
Percent new prescriptions	2322.20	1279.87	<0.070
Pharmacy affiliation, & emergency service provision <i>Reference group: Chain pharmacy</i>			
Independent pharmacy without emergency services	-184847	38442	<0.0001
Independent pharmacy with emergency services	-126520	46952	0.007
In-house charge system for prescription sales	70293	26149	0.008
Pharmacy open hour per week	1083.10	299.60	0.0003
Physical Setting <i>Reference group: shopping center</i>			
Free standing physical setting	-32345	16523	0.051
Mass Merchant physical setting	-51005	28943	0.079
Other physical setting	-51407	25021	0.040

R-Square = 0.7441

Dependent variable = total cost of dispensing

Appendix B. Survey Form Instructions

Pharmacy Dispensing Fee Survey Instructions

The purpose of the survey is for the State to determine the current cost to dispense Medicaid prescriptions for various types of pharmacies. This survey does not address the costs of drug ingredients, which is the other component of the pharmacy reimbursement formula.

All pharmacies are asked to participate in the survey. Please fill out a separate survey for each pharmacy under common ownership. The University of Maryland School of Pharmacy Pharmaceutical Health Services Research Department will conduct the analysis. Your individual responses will remain completely confidential. The results of the survey will be given to the Maryland legislature.

You have until Monday, October 23, 2006 to submit your response. The average pharmacy should be prepared to spend less than an hour on the survey. It would be a good idea to have your financial records, including salary and benefit information, handy when working on the survey. Plan to do it in one sitting, because you will be unable to "bookmark" partially completed surveys and return to them at a later time. In the event you inadvertently hit the enter button on your computer while filling out the survey, the survey will seem to disappear. You should be able to restore the survey by clicking the "refresh" icon on your tool bar, if you are using Internet Explorer, or the "Reload" button if you are using Netscape. When completed, click the "Submit" button at the end of the survey.

The State of Maryland reserves the right to validate at your place of business the information submitted. For questions, please call Philip Cogan of the Medicaid Clinical Pharmacy Services Division at 410-767-1455.

Appendix C. Fee Survey Form

MARYLAND MEDICAID PHARMACY DISPENSING FEE SURVEY PHARMACY ATTRIBUTES

*Contact person to clarify, verify and/or review reported data: Date of Report _____	
Name: _____	Phone: _____
E-mail: _____	Fax: _____

Instruction: Please fill out a separate form for each pharmacy if you have multiple pharmacies under common ownership.

SECTION I. GENERAL INFORMATION

1. Pharmacy NABP (National Association of Boards of Pharmacy) Number:

2. Type of Ownership

- ☐ Individual
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Other (please specify) _____

3. Ownership Affiliation

- ☐ Independent (1-4 Stores)
- ☐ Chain (>4 Stores)
- ☐ Institutional (Long Term Care)

4. Physical Setting

- ☐ Medical Office Building
- ☐ Shopping Center
- ☐ Separate or Free Standing
- ☐ Grocery Store/Mass Merchant
- ☐ Other (please specify) _____

5. Geographic Location

- ☐ Inner city
- ☐ Inner ring suburbs
- ☐ Outer suburbs
- ☐ Rural

6. a. Ownership or rental of the pharmacy facility

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- ☐ Pharmacy owns building
☐ Rents from related party (pharmacy owner or family member)
☐ Rents from unrelated party
- b. If rental, is rent based on:
- ☐ Sales Per Square Foot
☐ % of Sales
☐ Other (please specify) _____
7. Does the pharmacy provide "After Hours" or "Emergency" prescription department services?
- ☐ Yes ☐ No
8. a. Does the pharmacy provide delivery service for prescription drugs?
- ☐ Yes ☐ No
- b. If yes, what percent of Medicaid prescriptions is home delivered?
- _____ %.
9. Percentage of total prescriptions covered by:
- a. Maryland Medicaid: _____ %
- b. Other Third Party Payer: _____ %
10. Which best describes the type of pharmacy provider?
- ☐ Retail
☐ Mail
☐ Long Term Care
☐ Specialty
11. What percent of prescriptions dispensed require a prior authorization (PA) or other communication with third party payers to adjudicate claims?
- a. Among Medicaid prescriptions: _____ %
- b. Among all other third party prescriptions: _____ %
12. Do you allow an in-house store charge system for prescription sales?
- ☐ Yes ☐ No
13. a. Do you dispense prescriptions to nursing home residents?
- ☐ Yes ☐ No (If no, proceed to question 15)
- b. If yes, what is the approximate percent of your prescription dispensed to nursing home residents? _____ %
14. a. Do you dispense unit dose to nursing homes?
- ☐ Yes ☐ No
- b. If yes, please indicate which most accurately reflects your situation:
- ☐ Unit Dose

- ☐ Modified Unit Dose (bingo cards/blister packs)
☐ Both
☐ Other (please specify) _____

15. Do you maintain an electronic patient profile system?
☐ Yes ☐ No

16. Average number of hours pharmacy is open each week: _____

17. Number of prescriptions dispensed per year (include all cash and third party Rxs):

- a. New _____
 b. Refills _____
 c. Total _____

18. Annual store sales volume (revenues): \$ _____

19. Annual prescription sales volume (revenues): \$ _____

20. Square feet of total sales area (excluding stock room): _____ sq. ft.

21. Total square feet of the prescription department: _____ sq. ft.

22. Total square feet of Rx register and patient waiting areas: _____ sq. ft.

23. Square feet of stock room for the entire store _____ sq. ft.

24. Square feet of stock room used for Rx drugs and containers _____ sq. ft.

SECTION II. PROFESSIONAL INFORMATION

Instruction: Please fill in all financial information based upon your tax submission for Calendar Year 2005

1. Is the manager or owner a pharmacist? ☐ Yes ☐ No

NOTE: "Gross salary or wage" includes the total salary or wage plus social security, unemployment, worker's compensation taxes, health insurance, life insurance, bonus, pension fund and profit sharing contributions, professional liability insurance, and similar benefits paid by the pharmacy. Amounts for part-year employees should not be annualized.

2. Indicate the Pharmacist-In-Charge gross salary per year. Please note that this figure is not your net profit from the operations of the pharmacy, but the actual salary you draw or

would have to pay someone to manage the pharmacy. (See above Note for definition of "Gross salary or wage") \$ _____

3. What percent of the Pharmacy manager's time is spent in the prescription department dispensing prescriptions, counseling patients, and fulfilling other professional responsibilities directly related to patient care? _____ %

4. Total employed pharmacist(s) salary(ies) per year? (This includes all full-time and part-time pharmacists employed in Calendar Year 2005, other than noted in question 2.)

	Annual Salary (See above Note)	Percent of Time Spent Fulfilling Responsibilities Described in Question 3
Pharmacist A	\$	%
Pharmacist B	\$	%
Pharmacist C	\$	%
Pharmacist D	\$	%
Pharmacist E	\$	%
Pharmacist F	\$	%
Pharmacist G	\$	%
Pharmacist H	\$	%

5. Salaries paid to pharmacy intern(s): \$ _____

6. Annual salary or gross wages of pharmacy clerks and technicians.

	Annual Salary (See Note Above)	Percentage of Time in Rx Department*
Employee A	\$	%
Employee B	\$	%
Employee C	\$	%
Employee D	\$	%
Employee E	\$	%
Employee F	\$	%
Employee G	\$	%
Employee H	\$	%

**This includes gathering patient information, entering prescriptions, preparing prescription drugs, presenting prescriptions to patients, ringing up payment for prescriptions, completing third-party forms, etc. (See above note).*

7. a. Annual gross wages and number of delivery personnel: # _____ \$

b. Percentage of time personnel involved in prescription drug delivery services:

_____ %

8. a. Annual gross wages of janitorial personnel: \$ _____

b. Percentage of time involved in this activity in prescription department:

_____ %

SECTION III. ANNUAL OVERHEAD EXPENSES

Instruction: Please fill in all financial information based upon your tax submission for Calendar Year 2005

A. PRESCRIPTION DEPARTMENT	TOTAL EXPENSES
1. Prescription Computer Expenses	
2. Prescription Claim Transmission Charges and Switching Fees	
3. Prescription Supplies (vials, bottles, Labels, etc.)	
4. Delivery Expenses (if provided)	
5. Dues and Publications (Rx Dept Only)	
6. Pharmacist Continuing Education Costs	
7. Shrinkage	
8. TP Adjustments (write offs)	
9. Benefits	
10. Bonuses	
11. Liability Insurance (professional)	
12. Inventory Service	
13. Warehouse expense	
14. Other Prescription Department Expenses (Please provide attachment with details)	
TOTAL PRESCRIPTION DEPARTMENT EXPENSES	

B. OTHER PHARMACY RELATED EXPENSES	TOTAL EXPENSES
1. Electricity	
2. Natural Gas	
3. Water	
4. Telephone	
5. Other Utilities	
6. Trash Collection	
7. Sewer	
8. Depreciation (this fiscal year only)	
9. Taxes	
Property	
Real Estate	
Any other taxes (specify type/amt)	
10. Rent	
Building Rent	
Equipment and Other	
11. Repairs	
12. Insurance	
Workers Comp and Employee Medical	
Any Other (please list)	
13. Interest Expense	
14. Legal, Accounting and Other Professional Fees	
15. Bad Debts (this fiscal year only)	
16. Credit Card Fees	
17. Operating and Office Supplies (Exclude Rx containers and labels)	
18. Advertising	
19. Central Administration Expenses	
20. Travel Expenses	
21. Security	
Monitoring system	
Personnel (Contract or dedicated)	
22. Other Pharmacy Expenses not included elsewhere (please provide list)	
TOTAL OTHER PHARMACY RELATED EXPENSES	